GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1149
ANSWERED ON:29.04.2016
Share of EPFO Fund in Stock Market
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Will the Minister of FINANCE be pleased to state:

(a) whether Employees Provident Fund Organisation (EPFO) fund is invested in the Indian stock market and if so, the details thereof;
(b) whether the Government has plans to make any changes in this regard and if so, the details thereof and the reasons therefor;
(c) whether the Government intends to establish EPFO as a domestic investment institution in the stock market and if so, the details thereof;
(d) whether fluctuations in the stock market is likely to be checked as result of more investment of the funds of EPFO in the stock market;
(e) whether the Government is aware of the risks of more investment of funds of EPFO in the stock market; and
(f) if so, the details thereof and the steps taken or proposed to be taken in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) Employees' Provident Fund (EPF) has not invested in individual stocks. It has invested only 5% investible surplus in Exchange Trade Funds (ETFs) of Nifty and Sensex-based Index. The total amount invested is Rs.6577 crores as on 31st March, 2016.
(b) There is no plan to make any changes in this regard as of now.
(c)&(d)The Government has notified the Pattern of Investment for Employees' Provident Fund Organization (EPFO) wherein it has permitted investment in equity and related investments of 5 percent to 15 percent. Further the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) has decided to invest only in Exchange Traded Funds (ETF). The purpose of this investment by EPFO is to maximize its earnings on investments.
(e)&(f)The Government is aware of the risks of more investment of funds of EPFO in the stock market. Therefore, the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) has decided to invest only 5% of the investable surplus in Exchange Trade Funds (ETFs) of Nifty and Sensex-based Index.